

## Message Text

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51

ACTION EUR-25

INFO OCT-01 ADP-00 OMB-01 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 DOTE-00 L-03 DODE-00

PA-03 USIA-15 PRS-01 NSC-10 RSR-01 /089 W

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P 302149Z AUG 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 1635

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E.O. 11652: N/A

TAGS: PINT, CA

SUBJECT: CANADIAN GOVT INTRODUCED LEGISLATION ENDING  
RAIL STRIKE AND IMPOSING SETTLEMENT

1. BEGIN SUMMARY: IN SPECIAL SESSION OF PARLIAMENT  
AUG 30, GOVERNMENT INTRODUCED LEGISLATION ORDERING  
RAIL UNIONS BACK TO WORK, PROHIBITING FURTHER RAIL  
STRIKES THROUGH DEC 1974, IMPOSING WAGE SETTLEMENT  
TERMS, AND PROVIDING FOR MEDIATION AND ARBITRATION.  
LEGISLATION RECEIVED FIRST READING AND SHOULD RECEIVE  
SECOND READING BY COB AUG 30. THIRD READING, SENATE  
ACTION AND ROYAL ASSENT BY GOVERNOR GENERAL ARE LIKELY BY  
SATURDAY, SEPT 1. HOWEVER, BECUASE OF INEVITABLE LOGISTICAL  
DELAYS AND POSSIBLE UNION RECALCITRANCE, RAIL SERVICE MAY NOT  
RESUME UNTIL EARLY NEXT WEEK WITH FULL SERVICE NOT RESTORED  
UNTIL SEPT 8. END SUMMARY

2. GOVERNMENT INTRODUCED "MAINTENANCE OF RAILWAY  
OPERATIONS ACT, 1973" WHICH RECEIVED FIRST READING AND  
AGREEMENT WAS REACHED TO TRY AND ACHIEVE SECOND READING  
BY 5 PM EDT AUG 30. GOVERNMENT BILL PROHIBITS STRIKES  
BY THREE RAIL UNIONS (NON-OPERATING EMPLOYEES, SHOP-  
CRAFT EMPLOYEES, AND OPERATING EMPLOYEES) THROUGH DEC 1974.  
PROPOSED ACT CALLS ON RAILWAY COMPANIES AND UNIONS TO ENTER  
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INTO OR CONTINUE NEGOTIATIONS AND MAKE EVERY EFFORT TO

CONCLUDE AGREEMENTS WHICH SHALL IN NO EVENT EXPIRE BEFORE DEC 31, 1974.

3. PART I OF BILL DEALS WITH NON-OPERATING EMPLOYEES AND CALLS FOR A WAGE INCREASE OF 30 CENTS PER HOUR (RETROACTIVE TO JANUARY 1, 1973) WITH FURTHER WAGE INCREASES OF 5 PERCENT EFFECTIVE JANUARY 1, 1974 AND 3 PERCENT EFFECTIVE JULY 1, 1974.

4. PARTS II AND II OF BILL DEAL WITH SHOPCRAFT AND OPERATING EMPLOYEES. THE BILL INCREASES WAGES OF THESE EMPLOYEES BY 8-1/4 PERCENT (RETROACTIVE TO JANUARY 1, 1973) AND PROVIDES FOR FURTHER INCREASES OF 6-1/2 PERCENT EFFECTIVE JANUARY 1, 1974 AND 1-1/2 PERCENT EFFECTIVE JULY 1, 1974.

5. PART IV OF BILL AUTHORIZES THE MINISTER OF LABOR TO APPOINT A MEDIATOR TO MEDIATE MATTERS IN DISPUTE BETWEEN THE RAIL COMPANIES AND ANY UNION. THE GOVERNOR IN COUNCIL MAY, ON THE RECOMMENDATION OF THE MINISTER OF LABOR, APPOINT AN ARBITRATOR WHO WOULD BE EMPOWERED TO IMPOSE BINDING ARBITRATION ON THE UNIONS AND RAILWAYS ON THOSE MATTERS NOT AGREED UPON BY THE TWO PARTIES.

6. MINISTRY OF LABOR OFFICIAL INFORMS US ACT IS EXPECTED TO PASS PARLIAMENT AND RECEIVE ROYAL ASSENT EITHER LATE FRIDAY, AUG 31 OR, IF NECESSARY, DURING SPECIAL SESSION SATURDAY, SEPT 1. HE EXPRESSED VIEW THAT RAIL SERVICE COULD NOT BE RESTORED UNTIL ABOUT SEPT 4 WITH FULL SERVICE NOT RESTORED BEFORE SEPT 8.

7. SPECIAL SESSION WAS PRECEDED BY DEMONSTRATION OF SEVERAL HUNDRED (ONE PRESS ACCOUNT SAID 3,000) PICKETING AND CHANTING RAIL WORKERS CARRYING SIGNS OPPOSING LEGISLATED SETTLEMENT. DURING WHAT HAD BEEN PEACEFUL DEMONSTRATION, SOME STRIKERS BROKE THROUGH THE MAIN DOOR OF PARLIAMENT AND FORCIBLY ENTERED MAIN LOBBY. THERE WERE REPORTS THAT UNION LEADERS WERE UNSUCCESSFUL IN TRYING TO GET THE MEN TO LEAVE THE PARLIAMENT BUILDING AND THAT STRIKERS KNOCKED A MOUNTIE TO THE FLOOR TO THE CHEERS OF OTHER STRIKERS. LONG-TIME GUARDS OF PARLIAMENT HILL SAID LIMITED OFFICIAL USE

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THEY HAD NEVER SEEN SUCH VIOLENT ACTION. NONETHELESS, ORDER WAS RESTORED WITH THE SPECIAL SESSION CONVENING ON TIME.

8. SHARP QUESTION AND ANSWER PERIOD FOLLOWING TABLING OF RAILWAY ACT CONFIRMED REPORTS THAT WHILE GOVERNMENT WILL OBTAIN PASSAGE OF THIS BILL, IT IS GOING TO BE SUBJECTED TO TOUGH DEBATE WHEN IT REVEALS ACTION IT PREPARES

TO TAKE ON POLITICALLY PRECARIOUS COST-OF-LIVING ISSUE.  
JOHNSON

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